

FEDERAL ELECTION COMMISSION
FIRST GENERAL COUNSEL'S REPORT

MUR: 7269
DATE FILED: August 10, 2017
DATE OF NOTIFICATION: August 15, 2017
LAST RESPONSE RECEIVED: August 24, 2017
DATE ACTIVATED: October 27, 2017

STATUTE OF LIMITATIONS: July 14, 2022
ELECTION CYCLE: 2018

COMPLAINANT:

Kevin Geiken

RESPONDENTS:

Young for Iowa, Inc. and Lisa Ashley in her official
capacity as treasurer
Representative David Young

**RELEVANT STATUTES
AND REGULATIONS:**

52 U.S.C. § 30102(e)(3)(B)
52 U.S.C. § 30104(a)(1)
52 U.S.C. § 30104(b)
52 U.S.C. § 30116(a)(2)
11 C.F.R. § 104.3
11 C.F.R. § 102.8(a)
11 C.F.R. § 110.1(b)(6)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. INTRODUCTION

Complainant alleges that Young for Iowa, Inc. ("Young Committee") and Representative David Young violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations by failing to report several contributions received in April 2017 from two other committees, Ryan for Congress, Inc. and Prosperity Action, Inc. We recommend that the Commission dismiss the allegation that the Young Committee violated 52 U.S.C. § 30104(b), and caution the Young Committee regarding the reporting of contributions. We also recommend

that the Commission find no reason to believe that David Young violated 52 U.S.C. § 30104(b), and close the file.

II. FACTUAL AND LEGAL ANALYSIS

The Young Committee is the authorized committee of U.S. Representative David Young, who represents the Third District of Iowa and is a candidate for reelection in 2018. Ryan for Congress is the authorized committee of U.S. Representative Paul Ryan, the Speaker of the House of Representatives. Prosperity Action, a multicandidate political committee, is Ryan's leadership PAC.¹

The Complainant states that on April 4, 2017, Ryan for Congress made two contributions totaling \$4,000 to the Young Committee, and Prosperity Action made a \$5,000 contribution to the Young Committee, and the contributing committees disclosed these contributions on their respective 2017 July Quarterly Reports.² The Complainant alleges that the Young Committee failed to timely report the contributions from Ryan for Congress and Prosperity Action on its 2017 July Quarterly Report.³

The Young Committee responds that it received and deposited the contributions during the third quarter of 2017 and that it would disclose the contributions on its October Quarterly

¹ See Prosperity Action Amended Statement of Organization (May 8, 2017) at 2, 3, available at <http://docquery.fec.gov/pdf/197/201705089053508197/201705089053508197.pdf>.

² Compl. at 2. See Ryan for Congress 2017 July Quarterly Report (July 13, 2017) at 3986, available at, <http://docquery.fec.gov/pdf/041/201707139066606041/201707139066606041.pdf>. Prosperity Action in fact disclosed its contribution earlier, on its 2017 Pre-Special Report filed on May 12, 2017. See Prosperity Action 2017 Pre-Special Report (May 12, 2017) at 235, available at <http://docquery.fec.gov/pdf/937/201705129053522937/201705129053522937.pdf>. The contributions by Ryan for Congress to the Young Committee included \$2,000 for the primary election and \$2,000 for the general election. An authorized committee may contribute up to \$2,000 per election to the authorized committee of any other candidate. See 52 U.S.C. § 30102(e)(3)(B) and 11 C.F.R. § 102.13(c)(1) and (2). The contribution by Prosperity Action to the Young Committee is within the contribution limit for multicandidate committees. See 52 U.S.C. § 30116(a)(2) (\$5,000 per election to a candidate and his or her authorized committee).

³ The Complaint suggests these contributions were made close in time to legislation pending before the U.S. House of Representatives. See Compl. at 1-4.

1 Report.⁴ The Young Committee did report these contributions on its 2017 October Quarterly
2 Report as having been received on July 17, 2017.⁵

3 Under the Act, each treasurer of a political committee shall file reports of receipts and
4 disbursements in accordance with the provisions of 52 U.S.C. § 30104.⁶ These reporting
5 provisions include disclosing the total amount of receipts for the reporting period, identifying
6 political committees which make contributions to the reporting committee within the reporting
7 period, and providing the date and amount of any such contributions.⁷

8 Ryan for Congress and Prosperity Action reported making contributions to the Young
9 Committee on April 4, 2017,⁸ but the Young Committee reported receiving the contributions
10 three and a half months later, on July 17, 2017.⁹ The Young Committee does not provide any
11 additional information or documentation concerning its receipt of the contributions. In the
12 absence of any explanation for the delay, it appears likely that the Young Committee received
13 the contributions earlier than July 17 and thus did not timely disclose their receipt. In view of
14 the modest amount of contributions at issue, however, and the low calculated civil penalty that

⁴ Young Committee Resp. at 1 (Aug. 24, 2017). Rep. Young did not submit a response to the Complaint.

⁵ See Young for Iowa 2017 October Quarterly Report (Oct. 13, 2017) at 15, 27, available at <http://docquery.fec.gov/pdf/467/20171013907564767/201710139075647467.pdf>.

⁶ 52 U.S.C. § 30104(a)(1).

⁷ See 52 U.S.C. §§ 30104(b)(2) and (3)(B) and 11 C.F.R. § 104.3(a)(4)(ii).

⁸ A contribution shall be considered to be made when the contributor relinquishes control over the contribution. 11 C.F.R. § 110.1(b)(6). A contributor shall be considered to relinquish control over the contribution when it is delivered by the contributor to the candidate, or to the political committee or to the agent of the political committee. *Id.* A contribution that is mailed to the candidate, or to the political committee or to an agent of the political committee, shall be considered to be made on the date of the postmark. *Id.*

⁹ Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receipt, forward such contribution to the treasurer. 52 U.S.C. § 30102(b)(1); 11 C.F.R. § 102.8(a). If the contribution is in excess of \$200, such person shall forward the contribution, the identification of the contributor and the date of receipt of the contribution. *Id.* The date of receipt shall be the date such person obtains possession of the contribution. 11 C.F.R. § 102.8(a).

1 would result, we recommend that the Commission dismiss the allegation that the Young
2 Committee violated 52 U.S.C. § 30104(b),¹¹ and caution the Young Committee regarding timely
3 reporting of contributions. We also recommend that the Commission find no reason to believe
4 that David Young violated 52 U.S.C. § 30104(b) because the reporting of contributions is the
5 responsibility of the Young Committee treasurer,¹² and the available information does not
6 indicate any involvement in the reporting on the part of the candidate.

7 **III. RECOMMENDATIONS**

- 8 1. Dismiss the allegation that Young for Iowa, Inc. and Lisa Ashley in her official
9 capacity as treasurer violated 52 U.S.C. § 30104(b) and send a caution letter;
10
11 2. Find no reason to believe that Representative David Young violated 52 U.S.C.
12 § 30104(b);
13
14 3. Approve the attached Factual and Legal Analysis;
15
16 4. Approve the appropriate letters; and

¹¹ See *Heckler v. Chaney*, 470 U.S. 821 (1985).

¹² See 52 U.S.C. § 30104(a)(1).

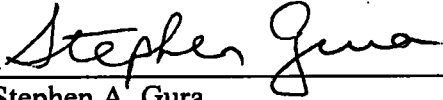
5. Close the file.


Lisa J. Stevenson
Acting General Counsel

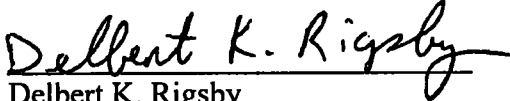
Kathleen Guith
Associate General Counsel for Enforcement

1.17.18

Date


Stephen A. Gura
Deputy Associate General Counsel for Enforcement


Mark Allen
Assistant General Counsel


Delbert K. Rigsby
Attorney

Attachment
Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 RESPONDENTS: Young for Iowa and Lisa Ashley in her
6 official capacity as treasurer
7 Representative David Young
8

MUR 7269

9 **I. INTRODUCTION**

10 Complainant alleges that Young for Iowa, Inc. ("Young Committee") and Representative
11 David Young violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and
12 Commission regulations by failing to report several contributions received in April 2017 from
13 two other committees, Ryan for Congress, Inc. and Prosperity Action, Inc. The Commission
14 dismisses the allegation that the Young Committee violated 52 U.S.C. § 30104(b), and cautions
15 the Young Committee regarding the reporting of contributions. The Commission also finds that
16 there is no reason to believe that David Young violated 52 U.S.C. § 30104(b).

17 **II. FACTUAL AND LEGAL ANALYSIS**

18 The Young Committee is the authorized committee of U.S. Representative David Young,
19 who represents the Third District of Iowa and is a candidate for reelection in 2018. Ryan for
20 Congress is the authorized committee of U.S. Representative Paul Ryan, the Speaker of the
21 House of Representatives. Prosperity Action, a multicandidate political committee, is Ryan's
22 leadership PAC.¹

23 The Complainant states that on April 4, 2017, Ryan for Congress made two contributions
24 totaling \$4,000 to the Young Committee, and Prosperity Action made a \$5,000 contribution to
25 the Young Committee, and the contributing committees disclosed these contributions on their

¹ See Prosperity Action Amended Statement of Organization (May 8, 2017) at 2, 3, available at <http://docquery.fec.gov/pdf/197/201705089053508197/201705089053508197.pdf>.

1 respective 2017 July Quarterly Reports.² The Complainant alleges that the Young Committee
2 failed to timely report the contributions from Ryan for Congress and Prosperity Action on its
3 2017 July Quarterly Report.³

4 The Young Committee responds that it received and deposited the contributions during
5 the third quarter of 2017 and that it would disclose the contributions on its October Quarterly
6 Report.⁴ The Young Committee did report these contributions on its 2017 October Quarterly
7 Report as having been received on July 17, 2017.⁵

8 Under the Act, each treasurer of a political committee shall file reports of receipts and
9 disbursements in accordance with the provisions of 52 U.S.C. § 30104.⁶ These reporting
10 provisions include disclosing the total amount of receipts for the reporting period, identifying
11 political committees which make contributions to the reporting committee within the reporting
12 period, and providing the date and amount of any such contributions.⁷

² Compl. at 2. *See* Ryan for Congress 2017 July Quarterly Report (July 13, 2017) at 3986, *available at*, <http://docquery.fec.gov/pdf/041/201707139066606041/201707139066606041.pdf>. Prosperity Action in fact disclosed its contribution earlier, on its 2017 Pre-Special Report filed on May 12, 2017. *See* Prosperity Action 2017 Pre-Special Report (May 12, 2017) at 235, *available at* <http://docquery.fec.gov/pdf/937/201705129053522937/201705129053522937.pdf>. The contributions by Ryan for Congress to the Young Committee included \$2,000 for the primary election and \$2,000 for the general election. An authorized committee may contribute up to \$2,000 per election to the authorized committee of any other candidate. *See* 52 U.S.C. § 30102(e)(3)(B) and 11 C.F.R. § 102.13(c)(1) and (2). The contribution by Prosperity Action to the Young Committee is within the contribution limit for multicandidate committees. *See* 52 U.S.C. § 30116(a)(2) (\$5,000 per election to a candidate and his or her authorized committee).

³ The Complaint suggests these contributions were made close in time to legislation pending before the U.S. House of Representatives. *See* Compl. at 1-4.

⁴ Young Committee Resp. at 1 (Aug. 24, 2017). Rep. Young did not submit a response to the Complaint.

⁵ *See* Young for Iowa 2017 October Quarterly Report (Oct. 13, 2017) at 15, 27, *available at* <http://docquery.fec.gov/pdf/467/20171013907564767/201710139075647467.pdf>.

⁶ 52 U.S.C. § 30104(a)(1).

⁷ *See* 52 U.S.C. §§ 30104(b)(2) and (3)(B) and 11 C.F.R. § 104.3(a)(4)(ii).

1 Ryan for Congress and Prosperity Action reported making contributions to the Young
2 Committee on April 4, 2017,⁸ but the Young Committee reported receiving the contributions
3 three and a half months later, on July 17, 2017.⁹ The Young Committee does not provide any
4 additional information or documentation concerning its receipt of the contributions. In the
5 absence of any explanation for the delay, it appears likely that the Young Committee received
6 the contributions earlier than July 17 and thus did not timely disclose their receipt. In view of
7 the modest amount of contributions at issue, however, the Commission dismisses the allegation
8 that the Young Committee violated 52 U.S.C. § 30104(b),¹⁰ and cautions the Young Committee
9 regarding the timely reporting of contributions. The Commission also finds that there is no
10 reason to believe that David Young violated 52 U.S.C. § 30104(b) because the reporting of
11 contributions is the responsibility of the Young Committee treasurer,¹¹ and the available
12 information does not indicate any involvement in the reporting on the part of the candidate.

⁸ A contribution shall be considered to be made when the contributor relinquishes control over the contribution. 11 C.F.R. § 110.1(b)(6). A contributor shall be considered to relinquish control over the contribution when it is delivered by the contributor to the candidate, or to the political committee or to the agent of the political committee. *Id.* A contribution that is mailed to the candidate, or to the political committee or to an agent of the political committee, shall be considered to be made on the date of the postmark. *Id.*

⁹ Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receipt, forward such contribution to the treasurer. 52 U.S.C. § 30102(b)(1); 11 C.F.R. § 102.8(a). If the contribution is in excess of \$200, such person shall forward the contribution, the identification of the contributor and the date of receipt of the contribution. *Id.* The date of receipt shall be the date such person obtains possession of the contribution. 11 C.F.R. § 102.8(a).

¹⁰ See *Heckler v. Chaney*, 470 U.S. 821 (1985).

¹¹ See 52 U.S.C. § 30104(a)(1).